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FISCAL IMPACT STATEMENT

LS 6820

BILL NUMBER: SB 475

NOTE PREPARED: Apr 8, 2003

BILL AMENDED: Apr 7, 2003

SUBJECT: Public Investment Requirements.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR: Rep. Bottorff

BILL STATUS: As Passed - House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill permits county treasurers, fiscal officers of political subdivisions other than counties, and certain other local officials authorized by statute or by court order to invest in securities fully guaranteed and issued by federal agencies or instrumentalities (as opposed to discount notes issued by federal agencies or instrumentalities).

It also permits a public officer of the state to invest or reinvest funds in obligations issued, assumed, or guaranteed as to payment of principal and interest by the State of Israel.

The bill allows the Treasurer of State to contract with investment advisors and money managers. The bill allows the Treasurer of State to invest in highest rated commercial paper.

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It also repeals the requirement that an officer of a political subdivision or other local government agency obtain annual approval from the fiscal or governing body before making investments.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The bill allows the Treasurer of State to contract with federally regulated investment advisors and other institutional money managers to make certain types of security investments. Additionally, the bill allows the Treasurer to make certain investments in high-rate commercial paper and investments guaranteed by the State of Israel. The impact of these proposals on the state's investment revenue is unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill will expand the investment options of fiscal officers of political units and local governmental entities to include securities fully guaranteed by a federal agency, instrumentality, and government sponsored enterprise. Current law limits the investment options of the fiscal officers to discount notes issued by federal agencies, instrumentalities, and government sponsored enterprises. The impact of this proposal on funds held by local entities is unknown.

State Agencies Affected: Treasurer of State.

Local Agencies Affected: County treasurers and other local fiscal officers.

Information Sources:

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